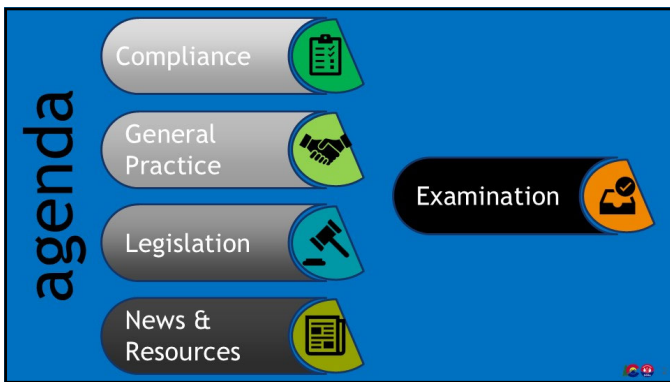


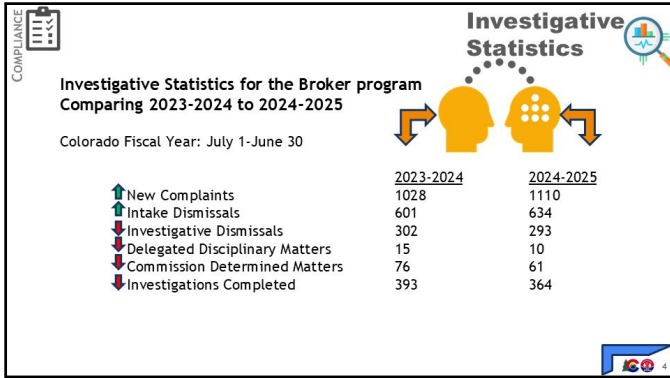
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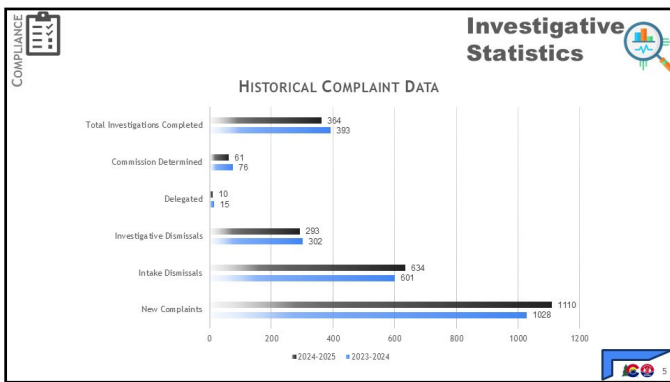
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4




5


COMMON COMPLAINTS

Complaints submitted to the Division and investigated on behalf of the Commission relate to a wide variety of allegations, but various themes emerge each year. In FY24-25, the following were the most common complaints:


- Trust Account Violations
- Failure to Report Criminal Convictions
- Failure to Disclose/Material Facts
- Dishonest Dealing/Misrepresentation

6


COMPLIANCE 

 COMMON COMPLAINTS


Broker has been representing buyers and sellers in Sterling, CO for many years. One recent buyer purchased a property as an investment property and retained the services of Broker to provide property management services.


 **Practical Scenario Trust Accounts**

Broker leased the property, collected rent, oversaw maintenance and paid proceeds to the owner timely. The Division conducted a financial audit and discovered that Broker: (1) conducted monthly reconciliations, but (2) that Broker did not maintain a trust account for his landlord's funds.





7


COMPLIANCE 


 COMMON COMPLAINTS


Questions

 What are Broker's responsibilities when holding funds for another?


 What is a trust or escrow account?


 Why are trust or escrow accounts required?





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COMPLIANCE 

 COMMON COMPLAINTS

What are Broker's responsibilities when holding funds for another?


- All funds belonging to others must be deposited in one or more accounts separate from other money belonging to the Broker or Brokerage Firm.


What is a trust or escrow account?

- The account funds: (1) are held separate, (2) are custodial, (3) are available on demand, and (4) are at a recognized depository.


Why are trust or escrow accounts required?


- Trust and escrow accounts protect the interests of all parties.

 **LET'S DISCUSS!**



9

COMPLIANCE 


 COMMON COMPLAINTS


Practice Pointer: Brokers managing their own rentals are also required to maintain trust accounts for security deposits.

Practice Pointer: Trust and Escrow accounts are types of fiduciary accounts and commonly, these terms, Trust, Escrow, or Fiduciary may be used interchangeably by banking officials.


Before accepting or holding funds of another, Brokers should:


- Visit and review the Division list of financial institutions which offer true fiduciary accounts, which is updated regularly: <https://dre.colorado.gov/separate-accounts-and-accounting>
- Visit: <https://dre.colorado.gov/division-programs/real-estate-broker/broker-practice-guidance/broker-financial-audit-process>
- Consult with your employing broker or legal counsel.


LET'S DISCUSS! 




10

COMPLIANCE 


 COMMON COMPLAINTS





- Webpages identified on the prior slide
- § 12-10-217(1)(i)
- CREC Rules-Chapter 1: Definitions of “Recognized Depository”, “Trust or Escrow Account”
- CREC Rules-Chapter 5: Separate Accounts and Accounting
- Ensuring That Your Trust/Escrow Accounts Are Treated As Fiduciary Accounts: <https://dre.colorado.gov/division-notifications/may-26-2023ensuring-that-your-trust/escrow-accounts-are-treated-as-fiduciary>



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COMPLIANCE 

 COMMON COMPLAINTS




Broker loves when famous Broadway shows come to Colorado. What she cannot stand is the lottery system used to buy tickets to high-demand shows. Also, she loves the front row. She used her computer skills to circumvent the ticket lottery and purchased 2 tickets to opening night at the Performing Arts Center.


Practical Scenario Failure to Report


After promptly being arrested and charged with cybercrime, she plead guilty so that she could get back to work, and hopefully still see the show while it is in town.

Unfortunately, in all the excitement, she did not report the plea bargain to the Commission.







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COMPLIANCE 

 COMMON COMPLAINTS


Questions


-  What is mandatory reporting?
-  What needs to be reported?
-  How long does a licensee have to report a plea of guilty, a plea of *nolo contendere*, or a conviction of any crime to the Commission.





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COMPLIANCE 

 COMMON COMPLAINTS

What is mandatory reporting?

- An affirmative duty to provide a certified copy of the judgment to the Commission.


What needs to be reported?


- A long list of criminal activity listed in § 12-10-217(1)(n), C.R.S., violation of Colorado or federal fair housing, or disciplinary history in another State

How long does a licensee have to report plea of guilty, a plea of nolo contendere, or a conviction of any crime to the Commission?


- 30 days.


LET'S DISCUSS!


 **Practice Pointer:** If you are unsure of your reporting responsibilities, consult with legal counsel about § 12-10-217, and DO NOT DELAY




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COMPLIANCE 

 COMMON COMPLAINTS



- § 12-10-217(1)(n), C.R.S.
- CREC Rules-Chapter 6: Practice Standards, and specifically Rule 6.23







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COMPLIANCE

COMMON COMPLAINTS

Practical Scenario Material Facts

Seller has owned a residential home in Wellington for nearly 2 decades. Occasionally, when heavy rains occur, seller finds a bit of water in an unfinished basement room. When seller is offered a job in Montana, he finds a broker to list the property. Before listing, Broker conducts a walk through of the property and DOES NOT see any evidence of water intrusion. Seller did not say anything to the broker or on the Seller's Property Disclosure about any history of water intrusion. After the property sells, a heavy and wet spring snowstorm hits northern Colorado and buyer notices water in the basement. After opening the walls to assess the damage, there is evidence of significant mold in the basement walls, 1st floor walls, and 2nd floor walls. Buyer files a complaint with the Division and files a lawsuit against seller and the seller's broker.





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COMPLIANCE

COMMON COMPLAINTS

Questions

- ? What is a Material Fact?
- ? Does the Broker have an independent duty to inspect the property?
- ? When must a material fact be disclosed?
- ? What is the difference between "ever existing" and "now existing"?

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COMPLIANCE

COMMON COMPLAINTS

LET'S DISCUSS!

What is a Material Fact?

- When a reasonable person would have ascribed actual significance to the adverse information.

Does the Broker have an independent duty to inspect the property?





- No. There is no duty to inspect the property.

When must a material fact be disclosed?

- Brokers are obligated to disclose known adverse material facts to all parties involved in the transaction.

What is the difference between "ever existing" and "now existing"?


- As discussed later in this presentation, ever vs. now is an imperative distinction.

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COMPLIANCE

COMMON COMPLAINTS



Now, imagine the same scenario, but when the Broker was conducting the walkthrough, Broker witnessed a puddle in the unfinished basement room. Broker did not think anything of it and listed the property.

Practical Scenario Material Facts




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COMPLIANCE


COMMON COMPLAINTS

Questions



? What is the Broker's obligation now?

? What if the transaction does not close because the buyer's property inspection reflected historical water damage? Does the Broker have an obligation to future buyers?



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COMPLIANCE

COMMON COMPLAINTS


What is the Broker's obligation now?

- By having seen the puddle, Broker now has actual knowledge.
- Therefore, Broker must disclose.




What if the transaction does not close because the buyer's property inspection reflected historical water damage? Does the Broker have an obligation to future buyers?

- Yes.

LET'S DISCUSS!



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COMPLIANCE   

Staying with this scenario for a little while longer...



The first Seller sold the property to the Buyer and then the Buyer discovers the water damage. He is pretty upset and decides to flip the house, fixing up pretty much everything in the house EXCEPT the water intrusion. Also, he was impressed by the original Broker's selling skills, so he hires the original Broker.

For the property description in the MLS, the flipping Seller gives (1) a long list of all the updates, and (2) a list of what he did not repair, replace, or update, including the water damage.


Practical Scenario Dishonest Dealing Broker drafts the property description, omitting anything about the water intrusion and fails to disclose it when the property is under contract.





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COMPLIANCE  

Questions



 What if anything has the Broker done wrong?

 How should the Broker advise the flipping Seller to complete the Seller's Property Disclosure?





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COMPLIANCE  


What if anything has the Broker done wrong?

- Broker knows of the conditions at the property. Broker has misrepresented the condition of the property.
- By failing to disclose, Broker exposes himself to discipline and liability in court.


How should the Broker advise the flipping Seller to complete the Seller's Property Disclosure?


- Discuss the Seller's Property Disclosure with the Seller.
- Explain the different requirements and the importance of disclosure.


 **Practice Pointer:** A Broker has a duty to disclose material facts independent of the Seller's duty to disclose. Do not expose yourself to license discipline, litigation, and errors and omission insurance issues.




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COMPLIANCE 


 COMMON COMPLAINTS




- § 12-10-404(3)(b), C.R.S.
- Contract to Buy and Sell Paragraph 10.2
- Commission Position 27: Broker Disclosure of Adverse Material Facts




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COMPLIANCE 


 COMMON COMPLAINTS


Two common themes across many of these complaints include:


1. Unworthy, incompetent practice. §12-10-217(1)(q), C.R.S. - Approximately 10% of disciplinary actions.
2. Violation of any Commission rule. §12-10-217(1)(m), C.R.S. - Nearly 25% of disciplinary actions.







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COMPLIANCE 


 COMMON COMPLAINTS


Unworthy, incompetent practice. §12-10-217(1)(q), C.R.S., Rule 6.2 

-  Incompetency **continues** to be a complicating factor for many brokers.
-  Gain competency through training, shadowing, consultation and partnership.
-  **Practice Pointer:** Self-Reflection-Do not engage a Client unless you have the required competency to represent them.




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COMPLIANCE 

 COMMON COMPLAINTS


Broker just landed a listing for a uniquely-shaped commercial building near Grand Junction. It is approximately 1/2 warehouse and 1/2 retail property. The seller retained a company to provide a measurement from ABC Measurement Company for the building resulting in a measurement of 31,000 sq. ft. Tax records for the county reflect the measurement as 27,000 sq. ft. Finally, the original architectural plans reflected the total square footage of the building to be 25,000.


 **Practical Scenario**

On the listing, Broker marketed that the square footage of the building was 31,000 sq. ft. The building went under contract at list price, but the contract was promptly cancelled when the buyer discovered the discrepancy in the listed square footage and what buyer's measurements reflected. A complaint was subsequently filed against the listing broker.





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COMPLIANCE 


 COMMON COMPLAINTS


Questions


 Traditionally, who is responsible for square footage verification?

 Did the listing broker do anything wrong?


 Is there anything the listing broker must do differently if the property was residential?


 Do Seller and Buyer need to sign sq. ft. disclosure?





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COMPLIANCE 

 COMMON COMPLAINTS

Traditionally, who is responsible for square footage verification?

- Verification is the responsibility of the buyer, but accurate disclosure is the responsibility of the listing broker, **if the measurement is advertised.**

Did the listing broker do anything wrong?


- In the scenario, broker did not disclose the source of the advertised measurement.


Is there anything the listing broker must do differently if the property was residential?

- Yes. Review CREC Rule 6.11 and complete the Sq. Ft. Disclosure form.


Do Seller and Buyer need to sign sq. ft. disclosure?


- No


 **LET'S DISCUSS!**




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COMPLIANCE 


 COMMON COMPLAINTS





- Square Footage Disclosure (Residential) Form: <https://dre.colorado.gov/real-estate-broker-contracts-and-forms>
- CREC Rule 6.11. Square Footage Disclosure






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COMPLIANCE 


 COMMON COMPLAINTS


Violation of any Commission rule §12-10-217(1)(m), C.R.S. 

-  All licensees should understand that license law includes for an additional violation which enhances fines.
-  Violation of rule, Commission order or license law




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COMPLIANCE 


Continuing Education 

Broker dutifully started working on her 24 hours of continuing education credits early this year. She started several *on-demand courses* in early January: a 5-credit contracts course, a 3-credit market trends and demographics class, and a 4-credit artificial intelligence for brokers course, but she did not take the final exams.


 She signed up for a live presentation of the 4-credit Annual Commission Update course in March of the same year. In the afternoon of the same day as the ACU, it dawned on her that she never finished up those on-demand courses, so, as soon as she arrived back at her office, she completed the exams and received certificates of completion for the 5-credit, the 4-credit, and the 3-credit courses. She also took 2 additional ACUs in the other years of the license cycle.


Practical Scenario

When she was audited after the end of the licensing cycle, she was notified that she was not compliant with her continuing education credits.







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COMPLIANCE 


Continuing Education 


Questions

-  What are the continuing education requirements for each license cycle?
-  Why did the Commission determine the Broker non-compliant?

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COMPLIANCE 



Continuing Education 

What are the continuing education requirements for each license cycle?


- All licensees (active and inactive) must take 24 credits for each 3-year license cycle: each of three ACUs and 12 elective credits.


Why did the Commission deem the Broker noncompliant?


- Brokers may only take 8 credits per day. The Broker in the scenario completed 16 credits (4+5+4+3=16) in one day.
- Certificates of Completion reflect the day a course is finished.
- Division staff can only credit whole courses.







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COMPLIANCE 


Continuing Education 


 **Practice Pointer:** When taking on-demand courses, **start and finish** the course in a reasonable period of time. The Division regularly sees weeks or even months between starting a course and completing it.


 **Get the most out of continuing education. Do not delay! Do not lose credits because of a violation of Rule 4.5!**


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COMPLIANCE 


Continuing Education 





- § 12-10-213, C.R.S.-Renewal of license-continuing education requirement-rules
- CREC Rule 4.2-Methods of Satisfying Continuing Education
- CREC Rule 4.5-Continuing Education Credit Requirements
- Division Broker Continuing Education Audit Webpage: <https://dre.colorado.gov/division-programs/real-estate-broker/education/broker-continuing-education-audit>




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COMPLIANCE 

License Maintenance 





Broker has been practicing real estate for several licensing cycles. He loves helping buyers, but since interest rates have been on the rise over the last few years, business has been more difficult to earn.

Practical Scenario  In addition to the slowing of business, Broker just realized that he missed the ACU last year. His 3-year license cycle is coming to an end this year and he thinks a profession change might be in order but might want to come back to real estate in a few years. At this point, he knows he would fail a Continuing Education audit.








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COMPLIANCE 


License Maintenance 

Questions

-  What are Broker's options now that he has determined that he will be noncompliant with continuing education requirements?
-  Can Broker self-report their Continuing Education deficiencies?
-  Can Broker inactivate their license to prevent discipline?


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COMPLIANCE 


License Maintenance

What are Broker's options now that he has determined that he will be noncompliant with continuing education requirements?


- Self-report noncompliance and be directed to take corrective continuing education.
- Take 24-Hour Broker Reactivation Course
- Pass the State Broker Exam
- Complete 72 hours in Contracts and Closing Courses

LET'S DISCUSS! 

Practice Pointer: Real estate licensure is not just a credential; it is a professional responsibility built on education and public accountability. 



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COMPLIANCE 


License Maintenance


Can Broker self-report their Continuing Education deficiencies?

- If the Broker cannot satisfy the traditional CE requirements, self-reporting to the Division may be the next best option. Upon renewal, a broker certifies that they have complied with education requirements but cannot do so if they have not complied.
- Contact the Division for additional information.


Can Broker inactivate their license to prevent discipline?

- Inactivation will not prevent discipline.
- A broker with an inactive license cannot conduct business or receive compensation.

LET'S DISCUSS! 




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COMPLIANCE 

License Maintenance


After practicing real estate for 4 years, Broker determined that she wanted to take a hiatus from real estate to focus on a political career.


 **Practical Scenario**

Broker submitted a voluntary request to change the license status from Active to Inactive. Broker was elected, served her term, and decided to return to the practice of real estate after 3 years.








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COMPLIANCE 

License Maintenance 


Questions


-  What are the primary license statuses?
-  What are Broker's Continuing Education requirements during period of Inactive status?
-  Can Broker reactivate their license?
-  What does Broker need to attest to in the Activation process?





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COMPLIANCE 


License Maintenance 


What are the primary license statuses?

- Active
- Inactive
- Expired


What are Broker's Continuing Education requirements during period of Inactive status?


- When inactive, education is still required
- However, education *may be* delayed until you are ready to activate the license


LET'S DISCUSS! 




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COMPLIANCE 


License Maintenance 

 **Inactivated and Reactivated in same cycle:** When license status is changed back to active, Broker will need to show education compliance **BEFORE** reactivating.


 **Inactivated in one cycle and Reactivated in future cycle:** Renew at end of license cycle *on inactive status* and then, when license status is changed back to active, Broker will need to show education compliance:


- If less than 3 years on Inactive status, Broker is required to either stay current with education during inactive status or take Broker Reactivation Course.
- If more than 3 years on Inactive status, the Broker is required to either stay current with education during inactive status or take 72 hours of Real Estate Closings and Colorado Real Estate Contracts.

LET'S DISCUSS! 



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COMPLIANCE 


License Maintenance 


Can Broker reactivate their license?

- Yes. Brokers on Active status may change their license status to Inactive and subsequently reactivate the license in the future.
- Renewal at end of license cycle is still required.


What does Broker need to attest to in the Activation process?


- Brokers changing their status from Inactive to Active must attest compliance with continuing education requirements.

LET'S DISCUSS! 




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COMPLIANCE 

License Maintenance 


! Practice Pointer: The Division implores all licensees to ensure your contact information with the Division is current.


- **The Division communicates with brokers via email. Advisories, newsletters, renewal notices, complaint notifications, audit notifications.**
- **Broker license status can be moved to inactive by the Commission if Broker is non-responsive.**


LET'S DISCUSS! 




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COMPLIANCE 

License Maintenance 



- CREC Rule 3.12. Inactivation of License
- CREC Rule 4.2. Methods for Satisfying Continuing Education
- CREC Rule 4.5. Continuing Education Credit Requirements



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- Transaction Checklist
- New Rules Governing Real Estate Brokers
- New Position Statements
- 2026 Contracts and Forms



GENERAL PRACTICE

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Transaction Checklist

Broker represents a buyer and closing is in just two days. The property is in a Common Interest Community (an HOA) and seller owes \$1000.00 to the association. The contract requires seller to pay the amount at closing.

Practical Scenario
 Buyer is concerned about the association debt and wants a copy of the Seller's closing statement as proof of payment. Buyer's Broker demands a copy of Seller's closing statement to confirm payment.


The title company refuses to provide a copy to Buyer.

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Transaction Checklist

Questions

- ? Who are the signatories to the Closing Instructions?
- ? Is Buyer entitled to Closing Statement for Seller?
- ? What are Broker's duties regarding Closing Statement?



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GENERAL PRACTICE 

Transaction Checklist

Who are the signatories to the Closing Instructions?


- Buyer, Seller and Closing Company


Is Buyer entitled to Closing Statement for Seller?

- A copy of the Closing Statement is required to be delivered to buyer, seller, and each real estate broker.
- Other related documents are only provided if the broker is required to maintain them pursuant to the Transaction File Checklist.
- Increasingly, Title Companies are concerned about sharing other documents belonging to the other consumer.


What are Broker's duties regarding Closing Statement?

- In the Transaction File, Broker or Brokerage Firm shall maintain a signed Closing Statement of Consumer with which the Broker has a brokerage relationship as part of the transaction.


LET'S DISCUSS! 



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GENERAL PRACTICE 


Transaction Checklist


 **The Transaction File Checklist was updated in 2025.**

The Transaction File Checklist is now a fillable .pdf for convenience and ease of use.


*For **Property Management** checklist items, the following were **added**:*

- Tenant Applications for Executed Lease or Rental Occupancy Agreements
- Radon Disclosures

LET'S DISCUSS! 



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GENERAL PRACTICE 


Transaction Checklist


*Several **Sales Files** checklist items were **added**:*

- Definitions of Working Relationships*
- Inspection Report
- Residential Addendum to Contract to Buy and Sell Real Estate
- Title-Related Objection Notice
- Appraised Value Objection Notice
- Appraised Value Objection Notice Withdrawal
- Personal Property Agreement
- Extension or Termination of Contract


*Other **Sales Files** checklist items were **removed**:*

- Seller Warning (applicable to foreclosures)
- Seller Authorization (related to short sales – if applicable)



LET'S DISCUSS! 





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GENERAL PRACTICE 


Transaction Checklist

-  **Practice Pointer:** Retain for four (4) years beginning from the consummation date of the transaction or the expiration date of any listing contracts that do not consummate.
-  **Practice Pointer:** Not all of the documents listed in the Transaction File Checklist may be applicable to a particular transaction, but if a document was used during the transaction, it **must be maintained in the transaction file.**


LET'S DISCUSS! 




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GENERAL PRACTICE 


Transaction Checklist



- §12-10-217(1)(k), C.R.S. (Failing to Maintain Records)
- CREC Rule 6.20 (Transaction File Requirements)
- CREC Rule 5.21 (Production of Documents and Records)
- Transaction File Checklist:
<https://dre.colorado.gov/transaction-file-requirements-and>



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LEGISLATION 


New Broker Rules


On December 2, 2025, the Commission held a public Rulemaking Hearing where it considered and adopted new or amended rules following public comment from interested parties. Rulemaking updated rules in Chapters 1, 2, and 4 of the Real Estate Broker Rules.

Effective Date: January 30, 2026


Chapter 1 Amendments:

-  Definition of a "Client" found at Rule 1.11

LET'S DISCUSS! 




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LEGISLATION 


New Broker Rules


Chapter 2 Amendments:

Federal law requires that states recognize the professional licenses of service members and their spouses in the event of reassignment to the State of Colorado.


 Rule 2.11 was changed to identify the requirements for licensure in such event:

- The applicant must submit fingerprints
- If the applicant, spouse of servicemember must submit a marriage certificate
- The applicant must submit proof of military orders relocating to Colorado
- Applicant must complete an attestation.

LET'S DISCUSS! 





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LEGISLATION 


New Broker Rules

Chapter 4 Amendments:


 Rule 4.2.A.1 is a fundamental change to the ACU. The new rules requires that in **2027, all brokers MUST take the ACU by July 1 of each year.**

 Rule 4.3.A pertains to education providers and instructors of the ACU.

LET'S DISCUSS! 




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LEGISLATION 


New Broker Rules

Chapter 4 Amendments (con't):


 Rule 4.4.A.3-5 clarifies other continuing education requirements. Brokers, education providers, and instructors should understand that Continuing Education:


- Must relate to **Colorado** real estate practice
- Must include 50 minutes of instructional material per credit.
- 8 CE hours max per day but allows for multi-day seminars/conferences.

LET'S DISCUSS! 







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LEGISLATION 

New Broker Rules 


Chapter 4 Amendments (con't 02):


-  Rule 4.4.B.1 clarifies **eligible** topics for courses.
-  Rule 4.4.B.2.e-f identifies **ineligible** topics for courses.
-  Rule 4.4.D addresses the permissible topics for Employing Broker license education.

LET'S DISCUSS! 





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LEGISLATION 

New Broker Rules 


Chapter 4 Amendments (con't 03):


-  Rule 4.5.G identifies an important change for course instructors that are also Brokers. Instructors may receive **up to 6 CE credits** for teaching Commission-approved courses per licensing cycle.

LET'S DISCUSS! 




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LEGISLATION 


New Broker Rules 

Chapter 4 Amendments (con't 04):


-  Rule 4.6.D is a rule change that is directed at course providers but serves as an important reminder to Brokers too.


Practice Pointer: Before taking a course, Brokers are responsible for verifying that a course is eligible for credit on the date the course is offered.

LET'S DISCUSS! 





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LEGISLATION 

New Broker Rules 


Chapter 4 Amendments (con't 05):


 Rule 4.7.A.2, 4 update some of the requirements for the contents of a course Certificate.

LET'S DISCUSS! 





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LEGISLATION 

New Broker Rules 

Chapter 4 Amendments (con't 06):

 Rule 4.7.E-I offer additional clarity to course providers, but also offer guidance and expectations for live online delivery and attendance monitoring. Brokers should be actively engaged in the course and not subject to distractions when taking a course.

LET'S DISCUSS! 



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LEGISLATION 

New Broker Rules 

Chapter 4 Amendments (con't 07):








LET'S DISCUSS! 




66


LEGISLATION 


New Broker Rules 

Chapter 4 Amendments (con't 08):


 **Practice Pointer:** Common Issues to Avoid when attending courses:


- Technical issues. For on-demand and live online courses, logon early and ensure that the delivery platform (Google Meet, Zoom, etc.) is up to date and that your camera and microphone are operational.
- Not being in view of the camera
- Multiple people seeking credit on the same camera view-this complicates audits and attendance verification.

LET'S DISCUSS! 





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LEGISLATION 

New Broker Rules 


Chapter 4 Amendments (con't 09):


 **Practice Pointer:** Education providers and instructors are required to follow the CREC Rules set forth in Chapter 4. It is incumbent on Brokers to also follow these rules to earn continuing education credit. If a Broker does not follow these rules, an Education Provider is prohibited from issuing a certificate or granting a Broker credit.


LET'S DISCUSS! 



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LEGISLATION 


New Broker Rules 




4 CCR 725-1: Rules Regarding Real Estate Brokers

Notice of Proposed Permanent Rulemaking Hearing:

https://dre.colorado.gov/sites/dre/files/documents/NOH%204%20CCR%20725-1_0.pdf

LET'S DISCUSS! 



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Position Statements

At a CREC meeting on October 7, 2025, two important Position Statements were approved by the Commission:

- Commission Position 22 was **updated**.
- Commission Position 31 is a **new position statement** created by the Commission.

What is next?

Practice Pointer: CPs are not binding law.

LET'S DISCUSS!

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Position Statements

Broker works for a brokerage firm with 5 agents and is the Designated Broker for a seller. At the brokerage firm's weekly sales meeting, another broker explains that their buyer might make an offer on broker's listing. After the meeting Buyer's Broker contacts their employing broker to discuss the details of the offer and contract with the employing broker at the brokerage firm.

Practical Scenario

As the transaction progresses, the listing broker contacts the employing broker with some questions on how to resolve an inspection objection and they discuss strategy because their client is willing to pay buyer to resolve it but does not want to until after further negotiation.

The transaction falls apart and both Buyer and Seller agree to file complaints against the 2 Designated Brokers and the Employing Broker.


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Position Statements

Questions

- ? What are the duties of a Designated Broker in a transaction?
- ? What is the definition of confidential information?
- ? What is a conflict of interest?

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GENERAL PRACTICE 


Position Statements


What are the duties of a Designated Broker in a transaction?

- A Broker who is designated in writing by an employing broker to serve as a single agent or transaction-broker.
- Uniform Duties identified in Colorado law and Commission-approved contracts and forms.


What is the definition of confidential information?

- For Single Agent engaged by sellers and landlords: section 12-10-404(2), C.R.S.
- For Single Agent engaged by buyers and tenants: section 12-10-405(2), C.R.S.
- For Transaction Brokers: 12-10-407(3), C.R.S.

LET'S DISCUSS! 



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GENERAL PRACTICE 


Position Statements

What is a Conflict of Interest?


A Conflict of Interest is when a Broker has a real or apparent competing professional or personal interest which may influence their actions in the performance of their Real Estate Brokerage Services, including, but not limited to, hindering their ability to fulfill duties on behalf of their Client.

- Conflicts of Interest should be properly disclosed and managed appropriately.
- Brokers have an ongoing obligation to disclose conflicts of interest.


LET'S DISCUSS! 




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GENERAL PRACTICE 


Position Statements




- CREC Rule 1.13-Conflict of Interest
- CREC Rule 6.17
- CP 22: Conflicts of Interest
- CP 31: Management of Confidential Client Information By An Employing Broker
- Division Broker Commission Position Statements:
<https://dre.colorado.gov/real-estate-manual-and-position-statements>



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GENERAL PRACTICE 


 **CONTRACTS & FORMS**


Updated and New Commission-Approved Contracts and Forms:

During 2025, the Commission approved updates to 21 existing forms and created 2 new forms over the course of two Commission meetings:


- CREC Meeting August 5, 2025
- CREC Meeting October 7, 2025


 **Mandatory Use Date: January 1, 2026**

 **LET'S DISCUSS!**




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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Common Contract and Form Changes:


- Headers and Footers-Language has been added to protect the intellectual property of the Commission in the Header.
- Changes have also been made to make clear the Adoption Date and the Mandatory Use-Date for each form.
- Over the next few years, these changes will be implemented on all other forms and contracts approved by the Commission.
- Changes to ensure the forms are consumer-centric and consumer friendly.

 **LET'S DISCUSS!**




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GENERAL PRACTICE 

 **CONTRACTS & FORMS**

Contract to Buy and Sell Real Estate (CBS):

- Residential
- Residential (CFPA)
- Income-Residential
- Land
- Commercial

 **LET'S DISCUSS!**



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GENERAL PRACTICE

CONTRACTS & FORMS

in the Purchase Price.

2.5.2. ~~Inclusions – Not Attached~~Additional. If ~~t, whether attached or not, the~~ following items are included

2.5.5. ~~Encumbered Inclusions~~ Encumbered. At Closing by Seller free and clear of all taxes (except

4.4.1. Good Funds. All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing and closing costs, must be in funds that comply with all applicable Colorado laws, including ~~electronic wire transfer funds~~, certified check, ~~savings and loan teller's check, and cashier's check, and real-time or instant payment~~ (Good Funds)

LET'S DISCUSS!

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GENERAL PRACTICE

CONTRACTS & FORMS

8.4. Special Taxing and Metropolitan Districts. ACTIONS BY A SPECIAL TAXING OR METROPOLITAN DISTRICT PURSUANT TO ITS AUTHORITY TO ISSUE DEBT, IMPOSE MILL LEVIES, AND IMPOSE FEES, RATES, TOLLS, PENALTIES, OR OTHER CHARGES MAY INCREASE COSTS TO RESIDENTS LIVING IN THE SPECIAL TAXING OR METROPOLITAN DISTRICT. SPECIAL TAXING AND METROPOLITAN DISTRICTS MAY BE

10.1. Seller's Property Disclosure. On or before Seller's Property Disclosure Deadline, Seller agrees to deliver to Buyer the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller to Seller's actual knowledge and current as of the date of ~~this Contract~~ the Seller's Property Disclosure Deadline.

LET'S DISCUSS!

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GENERAL PRACTICE


CONTRACTS & FORMS


10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition. Seller must disclose in writing to Buyer any adverse material facts actually known by Seller as of the date of this Contract. ~~Seller agrees that disclosure of adverse material facts will be in writing.~~ In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that Seller is conveying the Property, ~~and~~ Inclusions, and included Lensed Items to Buyer in an "As Is" condition, "Where Is" and "With All Faults."

16.1.1. Taxes. Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy and Most Recent Assessed or Actual Valuation per the county assessor, adjusted by any applicable qualifying seniors property tax exemption, qualifying disabled veteran exemption or Other


LET'S DISCUSS!


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GENERAL PRACTICE 

 **CONTRACTS & FORMS**

22. MEDIATION. If a dispute arises relating to this Contract (whether prior to or after Closing) and the dispute is not resolved, the parties must first proceed, in good faith, to mediation before proceeding to arbitration or litigation. Mediation is a process in which the parties meet with an impartial person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is binding, the parties to the dispute must agree to the settlement, in writing. A party requesting mediation must deliver written notice requesting mediation to the other party as provided in § 26. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire dispute is not resolved within thirty days of the date of written notice requesting mediation is delivered by one party to the other at that party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This Section will not alter any date in this Contract, unless otherwise agreed.





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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Listing Contracts:


- Exclusive Right to Lease Listing Contract
- Exclusive Right to Buy Listing Contract
- Exclusive Right to Sell Listing Contract
- Exclusive Tenant Listing Contract





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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Exclusive Right to Lease Listing Contract

Paragraph 3.5.2-Allows the Broker to sell the property and the duties owed under the Listing Contract also apply to the sale of the property.

3.5.2. If this box is checked, Landlord represents to Broker that Landlord has the right and authority from Owner to authorize Broker to negotiate the "Sale" of the Premises. A "Sale" of the Premises means the voluntary transfer or exchange of any interest in the Premises or the voluntary creation of the obligation to convey any interest in the Premises, including a contract for Sale or lease. It also includes an agreement to transfer any ownership interest in an entity which owns the Premises. The rights and duties owed under this Landlord Listing Contract also apply to a Sale of the Premises and the term Lease is synonymous with the term Sale when used in reference to the rights and duties owed under this Landlord Listing Contract.



Paragraph 3.6 is also amended to make the Listing Period apply to the lease or sale of the property.



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GENERAL PRACTICE

CONTRACTS & FORMS


Exclusive Right to Lease Listing Contract

~~5.3. Landlord consents to Broker's disclosure of Landlord's confidential information to the supervising broker or designee for the purpose of proper supervision provided such supervising broker or designee does not further disclose such information without consent of Landlord, or use such information to the detriment of Landlord.~~

Paragraph 5.3 has been deleted.

- The language in this paragraph was determined to be in conflict with Colorado statutes and affects many Brokers' regular practice.
- Brokers should carefully review Commission Position 22 and 31 for additional guidance on these practice changes.

LET'S DISCUSS!



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GENERAL PRACTICE

CONTRACTS & FORMS


Exclusive Right to Lease Listing Contract

~~5.8. Landlord When asked Broker Will Does Will Does Not consent to Broker's disclosure when asked disclose to prospective tenants and cooperating brokers the existence of offers on the Premises and whether the offers were obtained by Broker, a broker within Brokerage Firm, or by another broker. If Broker wishes to disclose the terms of any offer, Broker must first obtain the Landlord's written consent. If neither box is checked, Landlord does not consent to Broker's disclosure of such information.~~

Paragraph 5.8 has been renumbered to 5.7 and modified.

- This paragraph previously required a checkbox to be selected but did not have a default.
- Language was added to establish the default that "If neither box is checked, Landlord does not consent to Broker's disclosure of [the existence of offers]."

LET'S DISCUSS!



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GENERAL PRACTICE

CONTRACTS & FORMS

Exclusive Right to Lease Listing Contract

7.4. Extensions/Renewals/Expansion. Broker Will Will Not be paid a fee in the event,


~~Tenant exercises an option to Extend Renew under the lease,~~

~~Tenant ~~Expand~~ expands into additional space within the building or complex where the Premises is located.~~

If Brokerage Firm is to be paid a fee for such extension, renewal, or expansion, such fee is in the amount of \$ _____ and is due and payable upon the Exercise by tenant of such right to extend or renew the Lease or ~~upon the exercise by tenant's choice to expand the Premises, or upon the Commencement of any such extended, renewed, or expansion term of the Lease, or~~

~~If neither box is checked, Broker will not be paid a fee in the event of any such extension, renewal or expansion.~~

Absent selecting a checkbox, a Broker will not be paid a fee in the event of an extension, renewal, or expansion by the Tenant



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GENERAL PRACTICE

CONTRACTS & FORMS

Exclusive Right to Lease Listing Contract

16.2.5. Radon. Landlord understands that Colorado law requires Landlord to provide to prospective buyers and tenants in writing a warning statement about the dangers of radon and the need for testing, any knowledge the Landlord has of the radon concentrations of the Premises, including tests performed, reports written, and mitigation or remediation conducted, and a copy of the most recent brochure published by the Colorado Department of Public Health and Environment that provides advice about radon in real estate transactions.

17. OWNER'S ASSOCIATION.

17.1. Association Membership. Landlord represents that the Premises Is Is Not located within a common interest community. In the event that the Property is located in a common interest community, Landlord acknowledges that Landlord must have additional disclosure requirements and must obligate the tenant to any additional requirements pursuant to a lease.

LET'S DISCUSS!

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GENERAL PRACTICE

CONTRACTS & FORMS

Exclusive Right to Lease Listing Contract

18. DEFAULT; RIGHT TO CANCEL. If any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party has the following remedies:

18.1. If Broker is in Default. In the event the Broker fails to substantially perform under this Landlord Listing Contract, Landlord has the right to cancel this Landlord Listing Contract, including all rights of Brokerage Firm to any compensation. Any rights of Landlord to damages, if any, that accrued prior to cancellation will survive such cancellation. Landlord's notice of cancellation must be made in writing, identify the basis for cancellation, and be delivered to Broker in accordance with § 20.

18.2. If Landlord is in Default. In the event the Landlord fails to substantially perform under this Landlord Listing Contract, to include Landlord's or occupant's failure to reasonably cooperate with Broker, Brokerage Firm may cancel this Landlord Listing Contract upon written notice to Landlord. Any rights of Brokerage Firm that accrued prior to cancellation will survive such cancellation, to include Brokerage Firm's damages. Brokerage Firm's notice of cancellation must be made in writing, identify the basis for cancellation, and be delivered to Landlord in accordance with § 20.

LET'S DISCUSS!

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GENERAL PRACTICE

CONTRACTS & FORMS


Exclusive Right to Lease Listing Contract


40.20. DISCLOSURE OF SETTLEMENT COSTS. Landlord acknowledges that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors, and title companies). Broker cannot require Landlord to use a certain settlement service provider and Landlord can shop and select similar services from other companies. Landlord is ultimately responsible for selecting, qualifying, and paying for the settlement service providers who provide such services to Landlord.

40.21. WIRE AND OTHER FRAUDS. Wire and other funds secure in real estate transactions. Any time Landlord is supplying confidential information such as social security numbers or bank account numbers, Landlord should provide the information in person or in another secure manner. Wire and other funds are a significant risk in real estate transactions. Anytime Landlord is supplying confidential information, such as social security numbers and bank account numbers, or transferring or receiving funds, Landlord should provide the information in person or in another secure manner. Wire instructions should only be sent by a Closing Company to the Landlord via encrypted e-mails or encrypted web portals that require end user authentication (i.e., password protected). If encrypted e-mails or encrypted web portals are not available, wire instructions should be delivered by hand, telephone, mail, or overnight courier. Landlord should never reply to an e-mail or call a telephone number included in an e-mail regarding wire instructions or trust changes to wiring instructions received via email without verbal confirmation from a trusted source. To protect against fraud, money should never be wired based on email instructions alone and wire transfer details and payment instructions should always be verified in person or by telephone using a trusted and independently verified contact number.

LET'S DISCUSS!

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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Additional Changes:


Exclusive Right to Buy Listing Contract

- Paragraph 10 discloses that a Buyer will be subject to covenants in a Common Interest Community.
- Paragraph 11 confirms that the Buyer is responsible for all appropriate due diligence on the property.


Exclusive Tenant Listing Contract


- Paragraph 7.5 allows the Broker to receive a management fee from the Landlord pursuant to a separate agreement.

 **LET'S DISCUSS!**



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GENERAL PRACTICE 


 **CONTRACTS & FORMS**

Seller's Property Disclosure (SPD):

- Residential
- Commercial
- Land
- Additional Structure

- Many changes to the SPD allow for additional context for the Buyer.
- SPD is required to be current with the Seller's actual knowledge as of the date of the Seller's Property Deadline.
- Catch-all paragraph of Other Known Adverse Material Facts.

 **LET'S DISCUSS!**



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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Manufactured Home Contract to Buy and Sell (Lot Lease Only)


- Changes made to the Manufactured Home Contract to Buy and Sell (Lot Lease Only) were made to bring this document in line with the other CBS forms.
- The changes referenced above regarding the other CBS forms were also made here for consistency and ease of use.

 **LET'S DISCUSS!**




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GENERAL PRACTICE 

CONTRACTS & FORMS 


Manufactured Home Addendum To Contract to Buy and Sell (Lot Lease Only)


- All changes made to the Manufactured Home Addendum are conforming changes to bring this addendum in line with the other Contracts and Addendums.

LET'S DISCUSS! 



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GENERAL PRACTICE 


CONTRACTS & FORMS 

Manufactured Home Contract (Lot Lease Only) Extension or Termination of Contract

New Form
Mandatory Use Date: January 1, 2026

This document is very similar to the Extension or Termination of Contract but is specialized for Manufactured Home Contract.

LET'S DISCUSS! 



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GENERAL PRACTICE 

CONTRACTS & FORMS 

Agreement to Revive Manufactured Home Contract to Buy and Sell (Lot Lease Only)

New Form
Mandatory Use Date: January 1, 2026

This document is substantially similar to the Agreement to Revive Contract, but the Dates and Deadlines sections are unique to the Manufactured Home Contract to Buy and Sell (Lot Lease Only).

LET'S DISCUSS! 



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GENERAL PRACTICE

CONTRACTS & FORMS

Miscellaneous Contracts/Forms: Agreement to Revive Contract

- The significant change to the document is the addition of the Dates and Deadlines table from Paragraph 3.1 of the CBS. Parties can now clearly identify any dates or deadlines that have changed.
- Clarification is offered that references made are universal to all versions of the CBS.

LET'S DISCUSS!

§ 3.1. Dates and Deadlines. All section numbers noted in the Reference column are universal references to the Contract to Buy and Sell (Residential) (Residential/Colorado Foreclosure Protection Act) (Income-Residential) (Commercial) and (Land) unless otherwise specified in the Event section. The abbreviation "CBS" means the Contract to Buy and Sell Real Estate (Income-Residential). The abbreviation "CBSI" means the Contract to Buy and Sell Real Estate (Commercial). The abbreviation "CBSL" means the Contract to Buy and Sell Real Estate (Land). The abbreviation "CBSF" means the Contract to Buy and Sell (Residential/Colorado Foreclosure Protection Act).

Item No.	Reference	Event	New Date or Deadline	No. Change	Deleted
1	§ 3.1	Time of Day Deadline			

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GENERAL PRACTICE

CONTRACTS & FORMS

Miscellaneous Contracts/Forms: Closing Instructions

- Various non-substantive changes were made for clarity.
- Paragraph 9 was expanded to clarify the importance of awareness of wire fraud and other types of fraud. Additional language related to FinCEN was also added to the form.
- Paragraph 12 was amended to clarify when the Closing Company can return Earnest Money.

LET'S DISCUSS!

9. WIRE AND OTHER FRAUDS. Wire and other funds-access internet transactions—Caution. Wire and other funds are a significant risk in real estate transactions. Anytime Buyer or Seller is supplying confidential information, such as social security numbers and bank account numbers, or transferring or receiving funds, Buyer and Seller should provide the information in person or in another secure manner. Wire instructions should only be sent by the Closing Company to the Buyer or Seller via encrypted e-mail or encrypted web portals that require end-user authentication (i.e., password-protected, if encrypted e-mail or encrypted web portals are not available, wire instructions should be delivered by hand, telephone, mail, or overnight courier. Buyer and Seller should never rely on an email or call a telephone number included in an email regarding wire instructions or fund changes by wire instructions received via email without verbal confirmation from a trusted source. To protect against fraud, money should never be wired based on email instructions alone, and wire transfer details and account numbers should always be verified in person by telephone using a trusted and independently verified contact number.

Financial Crimes Enforcement Network (FinCEN) Anti-Money Laundering Notice for Residential Real Estate Transfers: FinCEN is an agency of the U.S. Treasury Department and the primary enforcement agency for combating money laundering pursuant to the Bank Secrecy Act. Parties agree to cooperate with the Closing Company to provide all requested documents and information to meet the Closing Company's requirements for FinCEN reporting. Parties understand that failure to provide documents and information may result in a delay or failure to close.

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GENERAL PRACTICE

CONTRACTS & FORMS

Miscellaneous Contracts/Forms: Extension or Termination of Contract


- Updates were made to the Dates and Deadlines table.
- A section for "Other Dates and Deadlines" was added to allow the parties to include dates and deadlines not included in the table.
- Clarification is offered that references made are universal to all versions of the CBS.
- Corresponding changes were also made to the Notice of Termination section.


LET'S DISCUSS!

2. DATES AND DEADLINES. The Contract Deadlines are amended as follows if Part I, Extension, of this document is signed by both Buyer and Seller and both parties receive notice of acceptance of the Extension prior to the expiration of the deadline specified in the Notice to Terminate provisions below. All section numbers noted in the Reference column are universal references to the Commission-approved Contract to Buy and Sell Real Estate (Residential) (Residential/Colorado Foreclosure Protection Act) (Income-Residential) (Commercial) and (Land) unless otherwise indicated in the Event section. The abbreviation "CBS" means the Contract to Buy and Sell (Residential). The abbreviation "CBSI" means the Contract to Buy and Sell Real Estate (Income-Residential). The abbreviation "CBSL" means the Contract to Buy and Sell Real Estate (Commercial). The abbreviation "CBSF" means the Contract to Buy and Sell Real Estate (Land). The abbreviation "CBSF1" means the Contract to Buy and Sell

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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Miscellaneous Contracts/Forms: Inspection Objection Notice


- Various non-substantive changes were made for clarity.
- Paragraph 1.3 was modified to allow the parties to “provide” an Inspection Report, since not all systems and practices of Brokers allow for a document to be “attached” to the Inspection Objection Notice.

LET'S DISCUSS! 




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GENERAL PRACTICE 

 **CONTRACTS & FORMS**


Miscellaneous Contracts/Forms: Post-Closing Occupancy Agreement


- Paragraph 3- “Possession Date” and “Possession Time” are now defined terms. Also, in prior ACUs, the Post-Closing Occupancy Agreement was discussed. There, it was explained that lenders have a requirement that if a property is to be occupied by the buyer as a primary residence, that a post-closing occupancy cannot last longer than 60 days. This is made explicitly clear now.
- Paragraph 10-A court of competent jurisdiction can determine damages for failure to vacate at the end of the Post-Closing Occupancy Agreement.
- Paragraph 13 and 15-Language was deleted and added to ensure that there is a mutual indemnification.
- Paragraph 16-Language was added to clarify that security deposits are limited to 200% of monthly rent payments which is in accordance with Colorado law.

LET'S DISCUSS! 




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GENERAL PRACTICE 

 **CONTRACTS & FORMS**

Miscellaneous Contracts/Forms: Seller Association Authorization

- Various non-substantive changes were made for clarity.
- A seller may need to take additional steps to establish an account. As such, the language was changed to “initiate” an online account.

LET'S DISCUSS! 



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GENERAL PRACTICE

REFERENCES

CONTRACTS & FORMS

- 12-10-403(4)(b), C.R.S. (Relationships between brokers and the public - definition - rules)
- CREC Rules, Chapter 7: Use of Standards Forms
- Commission-Approved Contracts and Forms: <https://dre.colorado.gov/real-estate-broker-contracts-and-forms>
- 2026 Colorado Real Estate Contracts Update Course: <https://dora-core.thinkific.com/courses/2026-Contract-Updates>
- Colorado Bar Association Forms Store: <https://cle.cobar.org>

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New Laws in 2025

2025 Sunset Report

LEGISLATION

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LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1030: Accessibility Standards in Building Codes

- Establishes minimum standards for creating an accessible building environment.
- Local building codes must align with internationally recognized standards set forth in the International Building Code (IBC).
- Exception was granted for single and two-family dwellings and townhomes.

HB25-1053: Landowner Immunity for Emergency Access to Property

- All landowners, be they single family owners, Common Interest Communities, or commercial owners, should be aware that a landowner who are acting in good faith and without compensation shall be immune from liability for damage to emergency providers.

LET'S DISCUSS!

Bills With General Applicability

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LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1077: Backflow Prevention Devices Requirements

- Applicable to developers, commercial managers, and homeowners, this bill exempts licensure requirements for the inspection, testing or repairing of backflow prevention devices.
- **Individuals installing or removing these devices are required to have a license.**

HB25-1182: Risk Model Use In Property Insurance Policies

- The bill requires insurers to develop models to estimate potential losses from catastrophic events.
- Insurers must publicly post on their website about premium discounts, incentives, or other premium adjustments available to policyholders should a policyholder undertakes property-specific mitigation actions.

LET'S DISCUSS!

Bills With General Applicability

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LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1219: Requirements For Better Understanding Metropolitan Districts

- Notice of Annual Meetings for Metropolitan Districts must be by mail, at the lowest-cost option OR sent by electronic mail.
- Notice must also be posted on the homepage of the metropolitan district or accessible by a link on the homepage.
- Metropolitan districts must establish a process to contact someone after hours for emergency issues.
- Resulting from this bill, Paragraph 8.4 of the CBS was updated to serve as the notice to the buyer that the property is located in a special or metropolitan district.

SB25-016: Updating Escrow Disbursement Practices

- Required Paragraph 4.4.1 of the CBS to be updated with new language.
- The definition of Good Funds is expanded to include funds available for immediate withdrawal.

LET'S DISCUSS!

Bills With General Applicability

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LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1019: Third-Party Administration of Division of Housing Programs

- To address the homeless crisis, and cost and availability of housing across Colorado, the Department of Local Affairs provides rental assistance, housing vouchers, and eviction defense assistance.
- Consumers and property managers/landlords should contact the Division of Housing for more information.


HB25-1090: Protections Against Deceptive Pricing Practices

- This bill has very broad applicability to a variety of industries but expressly identifies landlord obligations regarding the communication of prices to tenants.
- Disclosure of pricing information in a written agreement must be clear and conspicuous.


LET'S DISCUSS!

Bills Affecting Landlord/Tenant

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LEGISLATION 


NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Practical Scenario 


Broker owns a triplex near downtown Grand Junction and rents out all three units as the landlord. Broker has a reliable handy-person that does landscaping and small fixes as necessary around and inside the units. Broker charges a markup on the services of 3%. Also, Broker has historically paid for the internet service for all three units and charges a service fee for processing that utility each month and passes the utility service and fee to the tenants. When Broker advertised a vacancy recently, she appeared on a podcast show with an advertisement. At the end of the ad, the playback was three times faster than the rest of the ad. It did not disclose the Broker's markup.

A few weeks later, Broker is contacted by the Office of the Attorney General with a notification that an investigation has been commenced.

Bills Affecting Landlord/Tenant





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LEGISLATION 

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY


Questions

 Is Broker's markup allowed?


 Does Broker's advertisement comply with the law?



Bills Affecting Landlord/Tenant




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LEGISLATION 


NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Is Broker's markup allowed?
Markups are allowed, but are only permitted to be either 2% of the amount the landlord is billed or \$10.00 per month, BUT NOT BOTH.

Does Broker's advertisement comply with the law?
Very likely, no!
HB25-1090 requires that pricing must be disclosed clearly and conspicuously.
Violating HB25-1090 is a deceptive trade practice.

LET'S DISCUSS! 

Bills Affecting Landlord/Tenant



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LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1108: Prohibitions in Rental Agreements Due to Death

- "Letty's Act" pertains the termination of a lease due to the death of the tenant.
- Related to the death of the tenant, rental agreements may not include clauses for: (1) liquidated damages, (2) acceleration of rent past the end of the month or 10 business days after the premises are vacated with notice of the tenant's death, (3) refund of any move-in discounts of concessions, or (4) any early termination fee.
- If a lease has any such clauses, they are void and unenforceable.

HB25-1117: Vehicle Immobilization Company Regulation

- To perform a vehicle immobilization, a "boot", the company must obtain consent from the property owner of the private property where the immobilization is to occur prior to immobilizing a vehicle.

LET'S DISCUSS!

Bills Affecting Landlord/Tenant

112

LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1168: Housing Protections for Victim-Survivors

- Protections for the victim-survivor of unlawful sexual behavior, stalking, domestic violence or domestic abuse if evidence of the same is provided to the landlord.
- Landlord must offer a repayment plan of up to 9 months.

HB25-1236: Residential Tenant Screening

- A Portable Tenant Screening Report is a consumer report prepared at the request of a prospective tenant that includes information provided by a consumer reporting agency.
- For a prospective tenant seeking to rent with the assistance of a housing subsidy, no credit history report, credit score, or adverse credit event should be included in a portable tenant screening report.

LET'S DISCUSS!

Bills Affecting Landlord/Tenant

113

LEGISLATION

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1240: Protections For Tenants With Housing Subsidies

- Tenants that rely on housing subsidies are commonly subjected to discrimination and undue fees.
- Landlord may not require the tenant to vacate a dwelling unit pursuant to a residential lease before 30 days after the notice to vacate.
- Expands the warranty of habitability.
- Expands the definition of unfair housing practices.


SB25-175: Sunset Bill Towing Task Force

- The Towing Task Force underwent a Sunset review during 2024. A Sunset report was issued by the Colorado Office of Policy, Research and Regulatory Reform.
- This bill does not make any substantive changes to the Task Force and extends it for a period of ten (10) years, until September 1, 2035.

LET'S DISCUSS!

Bills Affecting Landlord/Tenant

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LEGISLATION 

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY


HB25-1249: Tenant Security Deposit Protections

- Definition of "Normal Wear and Tear".
- Default timing to return a security deposit.
- Disallows a landlord from withholding **any portion** of the security deposit if they withhold a security deposit wrongfully and subjects the landlord to treble damages.

Practice Pointer: The parties should consider a walk through of the property once the tenant has had the opportunity to remove furniture. This important step can help reduce the risk of potential security deposit disputes.

LET'S DISCUSS!

Bill's Affecting Landlord/Tenant



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LEGISLATION 

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Tenant moved in 11 months ago. When she moved in, she took photographs of the empty apartment to document the condition of the property before her furniture was brought in.

Practical Scenario 


This week, Tenant is moving out. Her furniture is on the moving truck but unfortunately, the movers broke her broom halfway through sweeping the unit clean. At the walk through with the landlord, the landlord says that the place is messy and he is withholding \$400 dollars because he has to hire a cleaning crew to clean the unit from top to bottom and repair a cracked tile in the shower. Tenant has photos that show the tile was cracked at move-in.

The Tenant disagrees vehemently and informs the Landlord that he is wrongfully withholding her security deposit.

Bill's Affecting Landlord/Tenant




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LEGISLATION 


NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

Questions


- ? How does the landlord determine normal wear and tear?
- ? What is bad faith by the landlord?
- ? What damages, if any, can the Tenant recover if Landlord withholds \$400 from the security deposit?



Bill's Affecting Landlord/Tenant



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LEGISLATION 

NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

How does the landlord determine normal wear and tear?


- Document the condition before the lease term starts.

What is "bad faith" by the landlord?


- Exceeding the amount of damages, lacking actual cause to withhold, knew or should have known the amount was inaccurate.

What damages, if any, can the Tenant recover if Landlord withholds \$400 from the security deposit?


- Prevent any withholding, treble damages.

LET'S DISCUSS! 

Bills Affecting Landlord/Tenant



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LEGISLATION 


NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1043: Owner Equity Protection in Homeowners' Association Foreclosure Sales


- Bill aims to (1) help homeowners facing foreclosure, (2) keep their home equity, and (3) stay in their homes.
- HOA Center Information is available at:
<https://dre.colorado.gov/hoa-information-about-assessments/delinquency>

HB25-1113: Limit Turf in New Residential Development


- HOAs of 12 dwelling units or more are prevented from installing, planting or placing nonfunctional turf, artificial turf, and invasive plant species on the common elements.
- These limitations already applied to home rule cities, special districts, and metropolitan districts.

LET'S DISCUSS! 

Bills Affecting Living in an HOA



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LEGISLATION 


NEW LEGISLATION
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY

HB25-1272: Construction Defects & Middle Market Housing


- Homebuilders (or "developers") may participate in a program that offers a homebuyer a warranty and inspection by a neutral third-party inspector in exchange for additional protections from construction-defect claims.
- An association's executive board must now obtain sixty-five (65) percent owner approval, compared to the previous requirement of a simple majority.
- If an HOA prevails, the monetary award must first be used for repairs.

SB25-184: Sunset HOA Information & Resource Center

- The Colorado Office of Policy Research and Regulatory Reform (COPRRR) conducted a Sunset Review of the HOA Information and Resource Center.
- No substantive changes were made to the HOA Center, but the bill did make technical adjustments.
- The bill extends the HOA Center for a period of five (5) years and shall be repealed September 1, 2030, unless the Colorado General Assembly acts before that date.
- Brokers should be aware of this important resource and should inform their consumers about the services offered by the HOA Center.


LET'S DISCUSS! 

Bills Affecting Living in an HOA



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LEGISLATION 

 REFERENCES


 **NEW LEGISLATION**
RELATED TO OR AFFECTING THE
REAL ESTATE INDUSTRY


- Colorado General Assembly website:
<https://leg.colorado.gov/>
- Division Legislative Summaries website:
<https://dre.colorado.gov/division-2025-legislative-updates-from-the-general-assembly>

LET'S DISCUSS! 





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LEGISLATION 


Sunset Report 


The Colorado Office of Policy, Research, and Regulatory Reform (“COPRRR”) conducts **Sunrise Reviews** of proposals to create new professional and occupational regulatory programs and **Sunset Reviews** of existing government programs to ensure they are necessary, fair, effective and efficient.

LET'S DISCUSS! 



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LEGISLATION 


Sunset Report 

Throughout 2025, COPRRR collected information from a variety of stakeholders and published a detailed **Sunset Report** on October 15, 2025 on the Division of Real Estate, including the **Real Estate Commission, Subdivision Developers and Home Warranty Service Contracts**.


The Sunset Report will be used to consider legislation during 2026.

COPRRR Website: <https://coprrr.colorado.gov/>

LET'S DISCUSS! 




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LEGISLATION 

Sunset Report


Recommendations in the report are NOT law unless adopted into legislation or program regulation. There are 11 identified recommendations, but the primary recommendations are found below:

- Continue the regulation of real estate brokers and subdivision developers, for 11 years until 2037, and continue the statutes pertaining to home warranty service contracts but remove them from the sunset review schedule.
- Give the Commission the ability to deny licenses for certain offenses laid out in the Act.
- Authorize the Commission to order restitution.


LET'S DISCUSS! 




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LEGISLATION 

Sunset Report




- COPRRR's Sunset Review website: <https://coprrr.colorado.gov/archive-of-reviews>
- Colorado General Assembly website: <https://leg.colorado.gov/>
- 24-34-104(5)(a), C.R.S.-COPRRR's legislative directives


LET'S DISCUSS! 



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- Division of Real Estate Website
- 2026 Colorado Real Estate Manual (CREM)
- Licensee Resources
- 2026 ACU Survey




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NEWS & RESOURCES

Division of Real Estate Website

COMMISSION NEWS

- During 2025:
 - Every Division website page updated for accessibility (Colorado law)
 - Updated Contracts and Forms
 - Licensee Advisories
 - Consumer Advisories
 - E-License: License Upgrades and Renewals
 - Licensee & Public Disciplinary Action Look-Up
 - Licensee and Common Interest Community Online Complaint Filing
 - Education Pages
 - BiMonthly Notifications and Quarterly Newsletters
 - Abridged Real Estate Manual
 - Division Rules and Position Statements
 - Commission Meeting agendas, minutes, and recordings
 - Colorado Open Records Act (CORA) Requests
 - HOA Information & Resource Center program page and Frequently Asked Questions
 - Link to Division's YouTube Channel With Even More Information



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NEWS & RESOURCES

2026 Colorado Real Estate Manual


COMMISSION NEWS

The 2026 Colorado Real Estate Manual consists of information pertaining to the Division's licensing programs, applicable statutes, rules, position statements, landmark case law, and important real estate subject areas.

The manual is a beneficial resource for new licensees and seasoned real estate Brokers, mortgage loan originators, appraisers, and other real estate professionals and comes with an eBook download benefit to search the manual digitally.

The 2026 CREC Manual may be purchased from Lexis/Nexis at:

<https://store.lexisnexis.com/>



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NEWS & RESOURCES

Licensee Resources

RESOURCES


Colorado Foreclosure Protection Act Guidance:
<https://dre.colorado.gov/division-notifications/understanding-the-colorado-foreclosure-protection-act>

Tenant and Owner Assistance from the Department of Local Affairs:
<https://doh.colorado.gov/im-a-resident>

Active Military for Foreclosures - Servicemembers Civil Relief Act
 877-827-3702

Colorado Foreclosure Hotline
 1-877-601-HOPE


Colorado Housing Connects
www.coloradohousingconnects.org
 1-844-926-6632



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NEWS & RESOURCES

2026 ACU Survey




FEEDBACK

Feedback is essential for the Division of Real Estate and is taken into consideration when creating the Annual Commission Update course each year.

Your feedback will help: (1) the Education Task Force develop future courses and (2) provide instructors with input on their teaching of the course. Help your fellow licensees and help your practice at the same time.


Feedback may be submitted by visiting the survey link below:

<https://forms.gle/GGZx6JcT8MJdh7wz7>




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- Examination









EXAMINATION



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EXAMINATION

Time to Test Your Knowledge

Estimated time for an exam is 10 minutes.

There are two versions of the exam. At least one exam version must be passed to earn a course completion certificate. To obtain a passing score, at least 70% of the questions must be answered correctly.



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